Gains of GATT Negotiations

731. SHRIMATI VEENA VERMA:
SHRI RAJNI RANJAN SAHU:

Will the Minister of COMMERCE be pleased to state;

(a) whether it is a fact that India's largest gain from GATT negotiations has come from the agreement on trade in services;

(b) if so, the expected earning in terms of billion-dollars from this agreement during the first five years; and

(c) what are the main components, of the services under contemplation, indicating the item-wise earning expected?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) to (c) India's interest in the negotiations on services was primarily in the delivery of services through the modality of movement of natural persons. While some of our trading partners had made satisfactory offers, the offers of our other major trading partners were less than satisfactory. Therefore, we pressed for a Ministerial decision on establishing a negotiating group on further negotiations on movement of natural persons. The negotiating group will meet within one month of the Ministerial decision and conclude its negotiations by the end of six months after the entry into force of the Agreement Establishing the World Trade Organisation. A final judgement on the market access package in services will have to await the conclusion of these negotiations.

Committee to Review Procedure for Imports and Exports

732. SHRI GHUFRAN AZAM:
SHRI KRISHNA KUMAR BIRLA:

Will the Minister of COMMERCE be pleased to state;

(a) whether Government recently set up a Committee to review the existing procedures and documentation concerning imports and exports and to evolve a simplified comprehensive and transparent system which would be easy to administer as well as to comply with;

(b) if so, the composition of this Committee with its terms of reference;

(c) whether any time-limit has been laid down for the purpose; and

(d) if so, by when Government expect to get the report from the Committee?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) Yes, Sir.

(b) (i) **COMPOSITION**

Chairman:

Dr. Y. Venugopal Reddy, Addl. Secretary, Ministry of Commerce.

Members:

Ministry of Commerce

1. Shri J.S. Gill, Joint Secretary
2. Dr. R.K. Dhawan, Addl. DGFT

IIFT

3. Professor Sehgal.

Trade & Industry

4. President, FIEO
5. Director General, CII

Reserve Bank of India

6. Nominee of the RBI.

Ministry of Finance

7. A nominee of Secretary, Department of Revenue
8. A nominee of Chief Economic Adviser, Department of Economic Affairs

Member-Secretary

9. Ms. L.M. Vias, Export Commissioner

(ii) **TERMS OF REFERENCE OF THE COMMITTEE:**

(a) Review the existing procedures and documentation affecting international trade;

(b) Review the efforts made so far towards simplifying such procedures and their impact;

(c) Identify the basic purpose of trade documentation and procedures;

(d) Evolve a simplified, comprehensive and transparent system which would be easy to administer as well as comply with and which will result in elimination or reduction of procedural costs and delays in international trade;

(e) Make recommendations on allied matters that would enable optimal operationalisation and fuctioning of the proposed system.

(c) Yes Sir.

(d) The Committee has since submitted its report.

Loopholes in VABAL Scheme

733. SHRI CHIMANBHAI MEHTA:
SHRIMATI RENUKA CHOWDHURY:
SHRI MOHD. KHALEELUR RAHMAN:
SHRI G.G. SWELL:
SHRI SARADA MOHANTY:

Will the Minister of COMMERCE be pleased to state;

(a) whether it is a fact that several loopholes have surfaced in Value Based Advanced Licence Scheme (VABAL):

(b) if so, details thereof;

(c) the number of licences issued under VABAL since its introduction uptill now and the quantum of imports in terms of value;

(d) whether the scheme discouraged the use of locally available and duty paid inputs by denying MODVAT and insisted on input output linkage;

(e) whether it is a fact that several exporters have made bogus claim of exports, earned foreign exchange through Havala trade and have imported duty free items as inputs and sold them in domestic market at high premium;

(f) if so, the details thereof alongwith number and names of companies involved;

(g) what corrective measures taken or are being considered;

(h) whether Government have decided that all value based advance licences issued before September 14, 1993 under which no import or export has taken place be freezed; and

(i) if so, what about the import in pipeline?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) and (b) Yes, Sir. The flexibility permitting the import of one or all items of non-sensitive nature resulted into certain unintended imports under Value Based Advance Licensing Scheme. Suitable changes have been made in the Scheme by adding more items to the Sensitive List to restrict their imports as per notified quantity norms.

(c) Uptil November 93,13,957 Value Based Advance Licences for a total CIF value of Rs. 6681 crores have been issued.

(d) Facilities under the Value Based Advance Licensing Scheme outweigh the MODVAT benefit denied and such denial is necessary to check double benefit under the Scheme. Insistence on input output linkage is required in terms of the Customs Notification and EXIM